

# **SAN FRANCISCO ETHICS COMMISSION**

## **ANNUAL REPORT: FY 2002-2003**

### **HIGHLIGHTS OF THE EIGHTH YEAR**

The Ethics Commission serves the citizens of San Francisco, City employees, elected and appointed officials, and candidates for public office by administering and enforcing the City's governmental ethics laws, providing education about such laws, and serving as a repository for information such as campaign reports and financial statements.

Commission members and staff are committed to the highest standard of public service and to the efficient and innovative fulfillment of the Commission's obligations under the City Charter.

The Commission's duties as the City's ethics law administrator are wide-ranging. The Commission acts as filing officer for campaign finance disclosure statements, audits campaign finance statements for compliance with state and local laws, collects reports required by laws regulating lobbyists and campaign consultants, investigates complaints alleging ethics law violations, runs a whistleblower program, serves as the filing officer for financial disclosure statements required from City officials, raises public awareness of ethics laws, researches and proposes ethics-related policy changes, and provides advice to candidates, office-holders, and members of the public.

In FY 02-03, the Commission continued to apply creative solutions in the complex area of government ethics. Its members and staff delivered a comprehensive array of services to the citizens of San Francisco:

- Administering a new voter-approved public finance measure;
- Proposing amendments to overhaul the San Francisco conflict of interest laws, which were adopted by the voters;
- Proposing amendments to the San Francisco Campaign Finance Reform Ordinance, which were adopted by the Board of Supervisors;
- Implementing a new ordinance governing mass mailings;
- Enhancing late fine collection procedures;
- Improving access to the public finance database;
- Continuing its successful workshop program on public finance, on-line filing, lobbying, and other programs under its jurisdiction;
- Upgrading the On-Line Filing System, proposing its expansion, and continuing to market it to other jurisdictions;
- Advising the Board of Supervisors on legislative matters and Charter reform measures;
- Administering reporting requirements for political committees, campaign consultants, lobbyists, and City officials;
- Auditing campaign finance committees for accuracy and legal compliance;

- Operating a whistleblower hotline;
- Assessing and collecting registration fees and late fines;
- Issuing formal advice letters and fielding hundreds of citizen inquiries regarding ethics laws and regulations; and
- Investigating and resolving complaints of ethics law violations.

## **MANDATES AND ACCOMPLISHMENTS OF THE COMMISSION**

In FY 02-03, the Commission continued to make important progress in fulfilling its mandates under the City Charter.

### Implementation of Limited Public Financing Program.

Proposition O, the public financing ordinance placed on the November 7, 2000 ballot by the Commission, took effect on January 1, 2001. Under the new law, candidates running for the Board of Supervisors may be eligible to receive matching funds from the City. Funding for the program is capped at \$2 per resident per year, or about \$1.6 million, which includes candidate grants and administrative costs.

Candidates were eligible to apply for public financing in June 2002, and the first grants were distributed in August. Eleven supervisorial candidates applied for funding and nine qualified under the criteria of the ordinance.<sup>1</sup> A total of \$315,989 was awarded from the \$1 million FY 02-03 Election Campaign Fund, including \$281,989 for the general election and \$34,000 for the run-off elections held in two supervisorial districts.

The Commission's public financing staff scrutinized the materials submitted by the candidates for public funds and began the mandatory audits of the campaign finances for all nine candidates who qualified to receive public financing.

In keeping with its emphasis on education, the Commission continued its active outreach efforts to raise awareness of the public financing law. The Commission's Public Finance Administrator presented regular workshops on the requirements of the new ordinance for candidates and campaign treasurers. In addition, the Commission requested and received media coverage of the new law by Channel 26, San Francisco's government news station. Executive Director Ginny Vida and Chairperson Paul Melbostad appeared with Robert Stern, President of the Center for Governmental Studies, and Dan Purnell, Executive Director of the Oakland Public Ethics Commission, in a special broadcast about the public financing law. The program was aired in September and replayed throughout October. It was broadcast in both Oakland and San Francisco.

As required by law, the Commission also prepared a report for the Mayor and the Board of Supervisors evaluating the public financing program's initial year.

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<sup>1</sup> One of the candidates deemed eligible to receive public funds asked the Commission not to disburse any funds to his campaign. However, he was required to abide by the rules of the public financing program, including limiting his expenditures to the spending ceiling.

### Implementation of Mass Mailing Ordinance.

The Commission began serving as the filing officer for a new City ordinance regulating political mail. The ordinance requires candidates for City elective office who pay for mass mailings to submit copies of a mass mailing to the Commission within five days of sending the mailing. It also requires them to submit an itemized statement to disclose the costs of photography, design, production, printing, distribution and postage for the mailing.

The Commission notified campaigns of the new requirement, alerted delinquent filers, and established a repository for the materials.

### Campaign Finance Reporting.

The Commission administers and enforces the City's Campaign Finance Reform Ordinance, or CFRO. The CFRO sets voluntary ceilings on campaign expenditures by candidates and imposes mandatory limits on contributions to candidates.

Under the Charter, the Commission serves as filing officer for four categories of local candidates and committees:<sup>2</sup>

1. Candidates seeking election to local office and their controlled committees,
2. Committees formed or existing primarily to support or oppose candidates seeking election to local office,
3. Committees formed or existing primarily to support or oppose qualification or passage of a ballot measure being voted on only in San Francisco, and
4. County general-purpose committees active only in San Francisco.

As filing officer, the Commission promotes compliance by candidates and committees and maintains records of reports filed. It reviews campaign statements to ensure compliance with applicable laws and imposes penalties for failure to adhere to filing deadlines and reporting requirements. It administers a strict policy mandating fines for campaign statements that are filed late. The policy is distributed to all filers.

At the close of the fiscal year there were a total of 279 active campaign committees. Regular semi-annual filings took place on July 31, 2002 and January 31, 2003. Three pre-election filings occasioned by the November 5 election fell on October 7 and October 24, and a filing for the December run-off election occurred on November 29. The Commission posted all reports on its web site, [www.sfgov.org/ethics/](http://www.sfgov.org/ethics/), within 24 hours.

The Commission also made significant improvements to its publicly accessible campaign finance database, redesigning the web page to make individual transactions and summary reports easier to research, and enabling users to determine whether they have located the most current information available. In addition, the database upgrades made committee

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<sup>2</sup> In November 2001, the Commission assumed the duties of filing officer for candidates seeking election to the county central committees of various political parties.

reports accessible for viewing and printing. Staff conducted two September workshops about how to use the database to conduct research.

### *Campaign Finance Fines*

The amount of fines collected this year for failure to file timely reports totaled \$49,602, double the previous fiscal year. The Commission enhanced its in-house collection efforts and also began referring some persistently unresponsive filers who fail to respond to repeat notices to the San Francisco Treasurer's Bureau of Delinquent Revenues. Commission staff trained BDR personnel in the Commission's late fine assessment procedures and in the use of the electronic filing system. Under the terms of the Commission's memorandum of understanding with BDR, up to 75% of collected late fines will be conveyed to the Commission. The Commission also initiated a policy of pursuing small claims actions against late filers when necessary.

At the close of the fiscal year, the outstanding balance of late fines assessed from the 01-02 and 02-03 fiscal years was \$64,985, including \$11,112 that represent five accounts referred to BDR.

### *Voluntary Spending Limits*

Under its CFRO authority, the Commission lifted spending limits for the November 5 election in three out of five supervisorial districts (2, 4, and 6), in each case because one candidate who had not applied for public financing raised contributions exceeding the spending limit. Commission staff notified affected candidates and issued press releases alerting voters to the removal of the spending caps.

### Electronic Filing.

#### *Electronic Filing Ordinance*

The San Francisco Electronic Filing Ordinance requires that certain campaign statements be filed electronically as well as on paper.

In the previous fiscal year, 01-02, the Commission sent to the Board of Supervisors amendments to the Electronic Filing Ordinance. The amendments, which were not signed into law until July 25, 2003, require political committees raising or spending \$5,000 or more in a calendar year to file electronic copies of supplemental independent expenditure reports, in addition to semi-annual, pre-election and supplement pre-election reports. The law, which was effective August 25, also authorizes the Commission to require the electronic filing of other campaign disclosure reports that may be required by the Political Reform Act.

In addition, the amendments require a committee that meets the electronic filing threshold to continue to file electronically until the committee terminates, regardless of the amount of contributions received or expenditures made during each reporting period.

The revised amendments further raise the per day fine for late-filed electronic campaign statements from \$10 to \$25.

### *On-Line Filing System*

The City's On-Line Filing System (OLFS), recognized by government agencies nationally as a model program, provides free filing for all disclosure statements required by state and local law. It is compatible with the state of California's standardized CAL filing format (California Electronic Filing Format implemented by the Secretary of State) and contains search-and-sort capabilities for the financial data posted on the Commission's web site.

The Commission and the Department of Technology and Information Services continued to improve the OLFS throughout FY 02-03, upgrading the server so that electronic files received by the Commission can be logged in automatically, saving staff from having to manually key in the reports during busy filing deadlines. The upgrade will also shift the responsibility for uploading files from DTIS to the Commission, with savings to the Commission in its annual DTIS work-order of about \$8,000.

Staff conducted two June workshops on the use of the OLFS. Commission members attend these and other workshops when their schedules permit.

### Audit Program.

The California Political Reform Act of 1974 and the CFRO require officeholders, candidates, and campaign committees that support or oppose either ballot measures or candidates to file statements disclosing campaign contributions and expenditures made in connection with a campaign.

The Commission serves as filing officer for statements filed locally. The statements require the disclosure of monetary and non-monetary contributions, including loans and enforceable promises, expenditures (including loans), unpaid bills and miscellaneous increases to cash. Filers must also keep detailed records of receipts and expenditures of \$25 or more.

The Commission audits the statements for compliance. Its process is outlined in an audit manual available to the public. Filers at various levels of financial activity are selected for audit by random drawing at Commission meetings.

Because all audit personnel and resources in FY 02-03 were fully taken up by the implementation of the public financing program, including its mandatory audits, the Commission was unable to schedule audits of campaigns active in year 2001 until April 2003. By random drawing at its April meeting, the Commission selected sixteen committees active in elections in years 2001 and 2002 for audit, excluding those committees already subject to audit under the public financing program. These audits are

set to begin at the completion of the public financing audits. The selected committees comprise three levels of financial activity, as follows:

Level 1. Four committees with financial activity of more than \$100,000: Coalition for Fair Water Rates, No On A; Lazarus for City Attorney; Andrew Lee for Supervisor; and Yes on R, HOPE-Homeownership Program.

Level 2. Six committees with financial activity from \$50,000 - \$100,000: San Franciscans for Voter Rights; Eisenberg for City Attorney; Alice B. Toklas Lesbian & Gay Democratic Club; Calvin Louie for Community College Board; S.F. for Affordable Clean Energy, Yes on D; and Strunsky for Supervisor.

Level 3. Six committees with financial activity of \$1,000 - \$49,999: San Francisco Late Night Coalition; Yes on S (Medical Marijuana); Committee for Better Parks; S.F. for a Better Future, Yes on N and R; Bernal Heights Democratic Club; and Protect Our Neighborhoods (for Prop. D).

Audit reports are posted on the Commission's web site as they are completed.

#### Lobbyist Registration and Reporting.

Lobbyists are required by ordinance to register with the City and to file quarterly reports of activity intended to influence local legislative or administrative action. The Commission reviews lobbyist statements to ensure completeness and accuracy. It assesses penalties for failure to adhere to deadlines and other requirements.

Registration is triggered by a threshold level of activity based on the number of City officials contacted and/or the amount of payments received or made. The threshold varies according to the type of lobbying engaged in.

Statements must disclose which City officials were contacted, the positions advocated by the lobbyist, and any campaign contributions or gifts donated. Contract lobbyists are required to disclose the names of their clients and how much money they received from them. Lobbyists who advocate on their own behalf are required to disclose payments made for the purpose of influencing local legislative or administrative action.

The Commission summarizes statements in quarterly reports it issues two to three weeks after the filing deadlines. The reports are posted on the Commission's web site. Commission staff also conducts workshops on the ordinance.

In FY 02-03, two changes of the lobbyist ordinance took effect. (1) The Board of Supervisors approved an increase in lobbyist registration fees and late fines proposed by the Commission and introduced by the Mayor as part of the budget process. The late fine was raised to \$50 per day. The new fees and fines took effect on June 29, 2003. (2) The Commission adopted a regulation to provide that when a filing deadline falls on the day before a weekend or holiday, the Commission will not count the first weekend or holiday

that immediately follows the filing deadline in its calculation of per day fines for late filings. A similar new regulation also affects campaign consultant filings.

At the close of the fiscal year, there were 41 lobbyists registered with the Commission. Lobbyist registration fees for 02-03 totaled \$22,188; fines totaled \$1,050. In comparison, the close of the previous fiscal year, there were 41 lobbyists who paid \$21,912 in registration fees and \$4,675 in fines.

#### Campaign Consultant Registration and Reporting.

The Regulation of Campaign Consultants Ordinance, passed in 1997, requires anyone who earns \$1,000 or more in a calendar year due to work as a campaign consultant to register with the City and submit quarterly reports.

Consultants are required to report names of clients, services provided, payments received, contributions and gifts made to local officials, and other information. The Commission prepares summaries of the quarterly filings, posts them on the web site, and publishes a manual.

As it did under the lobbyist ordinance, the Commission adopted a regulation to exclude the first holiday and/or weekend from its calculation of per day fines for late filings by campaign consultants when the filing deadline falls on the day before the holiday or weekend.

At the close of the fiscal year, 56 campaign consultants were registered with the Commission, the highest number since the ordinance was implemented in 1998. They paid \$26,670 in fees and \$6,096 in fines. In comparison, at the close of the previous fiscal year, 34 campaign consultants were registered, paying a total of \$10,600 in fees and \$1,550 in fines.

#### Financial Disclosure by City Officials and Employees.

The California Political Reform Act and the San Francisco Conflict of Interest Code require public officials and employees with significant decision-making authority to disclose their personal financial interests.

The Commission serves as the filing officer for Statements of Economic Interest (SEIs). In this capacity it undertakes a number of responsibilities. It notifies filers of deadlines and requirements, issues instructions on how to complete the forms, reviews filings, assesses penalties, and requests amended filings where necessary. A list of officials required to file, and whether they have met the filing deadlines, is maintained on the Commission's web site.

Hundreds of designated employees file SEIs with their department heads rather than with the Ethics Commission. These reports are maintained at the department's office. The Commission instructs department heads about their duties as filing officers for their

designated employees. It also surveys department heads to confirm that all designated employees have filed.

In preparation for the April 3 filing deadline, in February Commission staff sent filing packets to department heads and commission secretaries. The packets contained SEI forms, a designated filers list, and instructional materials. Staff scheduled a brown bag workshop for commission secretaries to provide instruction on how to ensure that designated filers meet their obligations.

After the filing deadline, staff canvassed all departments and commissions to ensure that designated filers were in compliance. The Mayor's Office assisted in the effort to ensure compliance.

At the close of the fiscal year, 715 out of approximately 730 designated department heads and members of commissions had filed their statements, a compliance rate of 98%. Staff continued to pursue the non-filers in the following fiscal year.

Late filers are subject to a fine. The names of late filers who do not respond to repeated inquiries from the Commission and the Mayor's Office may be referred to the California Fair Political Practices Commission for possible enforcement action.

#### Sunshine Ordinance Declarations.

The San Francisco Sunshine Ordinance requires department heads and commissioners who are required to file Statements of Economic Interests with the Ethics Commission to sign an annual declaration stating under penalty of perjury that they have read the Sunshine Ordinance and have attended, or will attend, an annual training on the Sunshine Ordinance.

At the close of the fiscal year, the Commission had received 490 declarations. Staff provided an annual report to the Sunshine Ordinance Task Force on compliance.

#### Investigations and Enforcement.

The San Francisco Charter authorizes the Ethics Commission to investigate alleged violations of laws governing campaign finance, lobbying, conflicts of interest, and governmental ethics. In addition, the Improper Government Activities Ordinance, also known as the Whistleblower Ordinance, directs the Commission to investigate charges of retaliation directed against complainants.

The Commission encourages the filing of whistleblower complaints and operates a hotline for that purpose, (415) 554-9515. It also provides a complaint form and accepts complaints by e-mail.



At the close of the fiscal year, 24 complaints were pending. During the fiscal year, the Commission resolved 34 complaints. Three of the complaints were settled for amounts totaling \$1,550, 17 were referred to other agencies, and 14 were dismissed.

The Commission employed a single ethics investigator during most of FY 02-03. The Commission's second investigator position has remained unfilled due to mandatory budgetary restrictions.

### Policy Recommendations.

The Commission is charged with making policy recommendations on issues under its jurisdiction. In this fiscal year, the Commission proposed amendments to the Campaign Finance Reform Ordinance, proposed amendments to revamp the conflict of interest laws, made recommendations to the City Attorney to participate in litigation on the Commission's behalf, and responded to the Board of Supervisors regarding various pieces of legislation. As discussed above, the Commission also proposed legislation and regulations, which subsequently became effective, regarding the Electronic Filing Ordinance, the Lobbyist Ordinance, and the Campaign Consultant Ordinance.

#### *Campaign Finance Reform*

The Commission routinely reviews the CFRO and all other City ordinances under its jurisdiction, propounds enabling regulations, and proposes substantive changes to improve the operation of the laws.

In FY 02-03, the Commission proposed, and the Board of Supervisors approved, substantive and technical amendments to the CFRO, most of which took effect on July 27, 2003. Some of the more substantive amendments include the following changes:

- Committees that make independent expenditures to support or oppose a candidate for City elective office must file reports with the Ethics Commission each time they spend or incur expenses of \$5,000 or more until the limits are lifted;
- The amount of forfeitures assessed against contributions that do not comply with the CFRO will no longer be limited to a committee's funds;
- Surplus funds transferred from one committee to another committee established by or on behalf of the candidate must be attributed to specific contributors;
- The ban against contributions from persons seeking to do business with the City extends from the commencement of negotiations for the contract until the termination of negotiations or three months after the contract is approved;
- Penalties were increased to up to \$5,000 per violation of the law, or three times the amount of contributions or expenditures not reported, or received or expended in excess of the amounts allowed;
- Candidates must file forms with the Ethics Commission to accept or reject the voluntary spending limits;
- The amounts of the increased expenditure ceilings were codified;

- Persons who pay for recorded telephone messages must keep a transcript of the message and a record of the number of distributed calls for each message; and
- The Commission is no longer required to keep its office open on the Saturday before an election, but may provide additional hours at its discretion.

Amendments related to the public financing program include the following:

- To encourage greater participation in the public financing program, the amount of qualifying contributions was lowered from \$7,500 to \$5,000;
- The time for a candidate to raise qualifying contributions was extended by approximately three weeks; and
- The law explicitly provides that matching contributions do not include loans, and that matching contributions under \$100 not made by written instrument must be accompanied by written documentation of the contributor's name and address.

Two amendments will become effective on January 1, 2004:

- The contributions of an entity whose contributions are directed and controlled by any individual will be aggregated with contributions made by that individual and any other entity whose contributions are directed and controlled by the same individual.
- All candidates for City elective office will be subject to personal loan limitations. Previously, only candidates running for the Board of Supervisors were subject to personal loan limits.

During the fiscal year, the Commission adopted two regulations interpreting CFRO provisions. Regulation 1.130(f)-1 sets forth the method by which the spending limits will be adjusted annually to reflect changes in the California Consumer Price Index.

Regulation 1.114(c)-1 clarifies that a committee that makes expenditures for any lawful purpose other than supporting or opposing candidates for City elective office may solicit and accept contributions in excess of the limits set forth in section 1.114(c), provided that funds received from contributions in excess of the limits are used only for lawful purposes other than supporting or opposing candidates for City elective office. The regulation also sets forth the methods by which a committee that solicits contributions in excess of the limits of section 1.114(c) may comply with the contribution limits.

#### *Conflict of interest amendments*

The Commission engaged in a comprehensive review of the various conflict of interest laws that govern City employees and officers. Over a period of ten months, the Commission considered problems that have arisen over the interpretation and enforcement of local conflicts laws, looked at issues that arose from complaints it received over the years, surveyed media reports about ethics-related matters, reviewed laws from various other jurisdictions, and received public comment about its proposed revisions. The amendments were placed on the November 2003 ballot by the Board of Supervisors, and were adopted by the voters.

The amendments made changes to provisions in the conflicts laws governing removal and disqualification, incompatible activities, compensated advocacy, post-employment restrictions, gifts, future employment, campaign contributions, financial interests, political activities, privileged information, official misconduct, post-employment restrictions, failure to file statements of economic interest, and decisions involving family members. The amendments also modify the statute of limitations, certain penalties, and the definitions of some statutory terms.

#### *Legal recommendations*

The Commission recommended that the City Attorney participate in two cases on the Commission's behalf.

In *Davis v. America Taxpayers' Alliance*, 102 Cal.App.4<sup>th</sup> 449 (2002), the Commission recommended that the City Attorney respond favorably on its behalf to requests from the Los Angeles Ethics Commission and the Fair Political Practices Commission to petition for review or de-publication of the case. The Commission's concern was that the decision would excuse committees that make independent expenditures and run advertisements that mention candidates from reporting their activities.

In *People v. Chinchilla*, MCN 2077432 (Appellate Division, S.F. Superior Court), the Commission recommended that the City Attorney file an amicus brief explaining the nature of the Commission's responsibility to review City ethics laws, clarifying that such a review is not an indicator of lack of clarity in existing law. The case involved alleged violation of the conflicts laws by a City commissioner.

#### *Responses to Board of Supervisors*

In FY 02-03, the Commission responded to requests for comment and recommendations from the Board of Supervisors on ordinances and Charter Amendments, as follows: an ordinance requiring permit expeditors to register with the Ethics Commission, a Charter amendment relating to setting salaries for the Board of Supervisors, and a Charter amendment creating an office of Public Advocate.

#### Education and Training.

The Commission conducts ongoing informational programs about ethics-related laws and requirements. It produces educational materials and actively publicizes its outreach activities through public notices.

During FY 02-03, the Commission presented numerous public workshops under its own auspices, and also upon request by various civic and educational institutions. Topics covered included campaign finance reporting, public financing, lobbying, use of the Commission's public finance database, and departmental filing requirements for Statements of Economic Interests.

### Advice and Information.

During the fiscal year, the Commission issued three advice letters. One letter advised that campaign funds may be used to pay officeholder expenses, subject to restrictions imposed by state law; and that campaign funds raised for a future office may not be used to pay officeholder expenses related to a current office. A second letter, subsequently codified in the CFRO, explained that a candidate for City elective office who transfers unexpended funds from one campaign account to another must attribute the transferred funds to specific donors in order to ensure that contribution limits are not exceeded. The third letter discussed various provisions of the Taxpayer Protection Amendment of 2000. The Commission's advice letters are posted on its website at [www.sfgov.org/site/ethics\\_page.asp?id=14031](http://www.sfgov.org/site/ethics_page.asp?id=14031).

Commission staff is available each workday to answer public inquiries about San Francisco ethics laws. In FY 02-03, the Commission responded to hundreds of requests for information from San Francisco residents and others both by phone and at the counter in the Commission office.

## **AFFILIATIONS**

The Commission is a member of the Council on Governmental Ethics Laws (COGEL), and participates in its annual conference. Executive Director Ginny Vida and Deputy Executive Director Mabel Ng attended the annual conference in Ottawa, Ontario from September 29-October 2. In addition to attending workshops on electronic filing, campaign finance reform, regulation of lobbyists and other ethics-related topics, Ms. Vida facilitated a discussion on the expanding jurisdiction of ethics agencies.

Planning is underway for the COGEL annual conference to be held in San Francisco in December 2004.

## **OUTREACH**

The Commission has a strong institutional commitment to educate the public about San Francisco's ethics laws and to support campaign reform and government accountability efforts consistent with City policy throughout the state and elsewhere.

Staff members are in routine communication with community organizations about the requirements of the laws and the record of compliance. Regular outreach activities touch a wide variety of individuals and organizations, including neighborhood associations, political clubs, unions, business groups, lobbyists, campaign consultants, reporters, and others.

Among the public presentations made by members and staff in FY 02-03 were the following:

In December, Campaign Finance Officer Joe Lynn made a presentation at the League of California Cities conference in Monterey about the Commission's On-Line Filing System.

In June, Deputy Executive Director Mabel Ng spoke about the work of the Commission to a graduate ethics seminar at the University of San Francisco School of Business and Management.

In July and August, Commission Chairperson Robert Planthold delivered remarks about the work of the Commission to meetings of retired City employees.

The Commission encourages active participation in its monthly meetings by interested community members. Regular meetings are held on the second Monday of each month at 5:30 p.m. at City Hall, 1 Dr. Carlton Goodlett Place, Room 408, San Francisco. Agendas of the meetings are posted in accordance with the San Francisco Sunshine Ordinance and are sent to a large and expanding list.

The Commission occasionally serves as host to foreign visitors seeking to learn about San Francisco ethics laws. In February, at the request of the International Diplomacy Council, a Bay Area non-profit organization, the Commission convened a special meeting with a group of foreign dignitaries representing 17 countries, all guests of the U.S. State Department, to discuss accountability in government and business.

## **BUDGET**

The Commission's budget for FY 02-03 reflected belt tightening by all City agencies. The Commission absorbed roughly \$100,000 in cuts to its baseline budget, including giving up its planned expansion into adjacent offices. The Commission's annual budget totals are as follows:

FY 94 - 95	157,000
FY 95 - 96	261,000
FY 96 - 97	313,274
FY 97 - 98	394,184
FY 98 - 99	475,646
FY 99 - 00	610,931
FY 00 - 01	727,787
FY 01 - 02	877,740
FY 02 - 03	777,341

The budgetary allocation for the first year of the public financing program was \$1,378,954, including a \$1 million Election Campaign Fund and funding for the positions of Public Finance Administrator, Public Finance Auditor, Public Finance Clerk, and partial funding for the second investigator position.

Commission revenues were down from the previous fiscal year, when they exceeded projections. The Commission paid \$117,098 into the general fund; it had been projected to generate \$137,438. The Commission's under-collection of fines generally reflected improved compliance with the statutes under its jurisdiction.

## **MEMBERSHIP AND ADMINISTRATION**

The Ethics Commission has five non-salaried members and, during FY 02-03, a staff of 10 supported by varying numbers of interns throughout the year.

Commission membership was as follows:

<u>Commissioner</u>	<u>Appointed By</u>	<u>Dates of Service</u>
Michele Anglade	City Attorney	3-02 to 2-08
Michael L. Garcia	Board of Supervisors	5-02 to 2-05
Waukeen Q. McCoy	Mayor	2-02 to 2-06
Paul H. Melbostad	District Attorney	1-02 to 2-07
Robert R. Planthold	Assessor	2-02 to 2-04

Commissioners Paul Melbostad and Robert Planthold served as Chairperson and Vice Chairperson until March 2003. In April, Commissioner Planthold was elected as Chairperson and Commissioner Michael Garcia became Vice Chair.

The Commission staff for FY 02-03 was led by Ginny Vida, Executive Director. Other staff members were Mabel Ng, Deputy Executive Director; Grace Chau, Public Finance Auditor; Marvin Ford, Public Finance Clerk; Shannon Hardin, Ethics Investigator and Assistant Legal Analyst; Katherine Havener, Ethics Investigator and Legal Analyst (to November 1, 2002); Frank M. Lester, Campaign Finance Assistant; Oliver Luby, Fines Collection Officer; Joseph Lynn, Campaign Finance Officer; Shaista Shaikh, Public Finance Administrator and Senior Campaign Finance Auditor; and Jennifer Taloa, Principal Clerk.

The Commission was fortunate to have the valuable assistance of the following interns during the summer of 2003: Darren Webb, an intern from the Mayor's YouthWorks Program, who provided administrative support services in the spring and summer; Michael Karatov, a third-year law student at Golden Gate University who worked with the enforcement staff; Joe Pizzano, a graduate of the University of California at Berkeley, who worked on the campaign consultant and lobbyist programs; Kevin de Liban, another graduate of the University of California at Berkeley, who provided assistance to the campaign finance staff; and Marc Lowe, a junior at Brandeis University, who provided administrative support services to staff.

## **FUTURE INITIATIVES**

The Commission will continue to fulfill its mandated duties in the forthcoming years, with a particular focus on achieving the following broad objectives:

- The Commission will continue to administer the public financing program for candidates for the Board of Supervisors in FY 04-05 and FY 06-07, when such offices are up for election. In the odd-numbered years when there is no election for the Board, the Commission will continue to perform audits, prepare reports, and get ready for the next round of elections.
- With the adoption of the conflict of interest amendments by the voters in the November 2003 election, the Commission will work with various City departments, boards and commissions to establish statements of incompatible activities for the respective departments, boards and commissions. The Commission anticipates that it will devote many hours of staff time to this task, as well as to advising City officers and employees and members of the public about the changes in the law.
- The Commission will continue to monitor the application of laws within its jurisdiction and will continue to propose amendments and regulations as appropriate.
- The Commission will play a very active role in planning for the annual conference of the Council on Governmental Ethics Laws that will be held in San Francisco in December 2004.
- The Commission will observe the 10<sup>th</sup> anniversary of its creation in the forthcoming months.

Respectfully submitted,

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Robert R. Planthold  
Chairperson

The San Francisco Ethics Commission FY 2002-2003 Annual Report  
was prepared by Marc Slavin, independent contractor,  
and edited by the members and staff of the Ethics Commission.